


INTER COUNTY
ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

RECEIVED

JUL 11 2014

PUBLIC SERVICE
COMMISSION

July 9, 2014

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Public Service Commission Case No. 2014-00051

Dear Mr. Derouen:

Please find enclosed an original and 5 copies of Inter-County Energy Cooperative Corporation's responses to the Commission Staff's Second Request For Information to East Kentucky Power Cooperative Inc.'s Sixteen Member Distribution Cooperatives dated July 1, 2014.

Sheree Gilliam, Sr. Vice-President of Finance and Administration, will be the witness responsible for Inter-County Energy's responses.

Please let me know if there are any questions or additional information is needed.

Very truly yours,



James L. Jacobus
President/CEO

Enclosures

Copy to Case No. 2014-00051 Parties of Service List by Email

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUL 11 2014

PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
 COMMISSION OF THE ENVIRONMENTAL)
 SURCHARGE MECHANISM OF EAST KENTUCKY) CASE NO.
 POWER COOPERATIVE, INC. FOR THE SIX-MONTH) 2014-00051
 BILLING PERIOD ENDING DECEMBER 31, 2013)
 AND THE PASS THROUGH MECHANISM FOR ITS)
 SIXTEEN MEMBER DISTRIBUTION COOPERATIVES)

INTER-COUNTY ENERGY COOPERATIVE RESPONSES
 TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
 TO EAST KENTUCKY POWER COOPERATIVE INC.'S
 SIXTEEN MEMBER DISTRIBUTION COOPERATIVES

CERTIFICATE

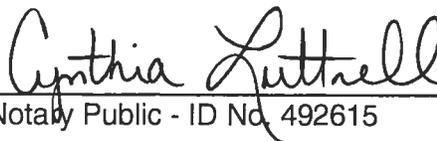
STATE OF KENTUCKY)
 COUNTY OF BOYLE)

I, Sheree Gilliam, Sr. Vice President-Finance and Administration of Inter-County Energy Cooperative, hereby certifies that I have supervised the preparation of the responses of Inter-County Energy to the Commission Staff's Second Request for Information in the abovementioned case dated July 1, 2014, that the responses are true and accurate to the best of my knowledge, information and belief formed after reasonable inquiry.



Sheree Gilliam
 Sr. Vice President – Finance and Administration

Subscribed and sworn before me on this 9th day of July, 2014.



Notary Public - ID No. 492615

My Commission Expires: July 15, 2017

Item 1. This question is addressed to each of the member distribution cooperatives. To further Staff's understanding of how environmental surcharge expenses and revenues impact a cooperative's financial position, explain how the transactions are recorded on your books and provide representative journal entries showing account numbers and descriptions.

Response:

The EKPC Purchased Power Invoice is recorded in the month in which the cost is incurred. The invoices are recorded using the following account numbers and descriptions:

		<u>Debit</u>	<u>Credit</u>
555.00	Purchased Power (excluding ESC)	\$xxx.xx	
186.10	Environmental Surcharge	\$xxx.xx	
232.10	Accounts Payable		\$xxx.xx

The environmental surcharge billed to members is recorded when the bills are issued to the member. The revenue is classified by member classes, using the following account numbers and descriptions:

		<u>Debit</u>	<u>Credit</u>
142.10	Member Accounts Receivable	\$xxx.xx	
440.10	Residential Sales		\$xxx.xx
440.12	Residential ETS Sales (deductive)		\$xxx.xx
440.15	Residential ETS Sales (non-deductive)		\$xxx.xx
442.10	Small Commercial/Small Power Sales		\$xxx.xx
442.20	Large Power Sales		\$xxx.xx
442.33	Commercial/Industrial Sales		\$xxx.xx

Item 2. This question is addressed to each of the member distribution cooperatives. Refer to the responses to the Commission Staff's First Request for information, Item 2.a., for your cooperative.

- a. Using the month of July 2013 as an example, for the amount shown in the column titled "EKPC Invoice Month Recorded on Member's Books" for your cooperative, provide the month in which the expenses are incurred by EKPC and when this amount was billed to the member cooperative.

Response:

EKPC incurred the expenses in May 2013 and invoiced Inter-County Energy on a June Purchased Power Invoice dated July 2, 2013.

- b. Using the month of July 2013 as an example, for the amount shown in the column titled "Billed to Retail Consumer & Recorded on Member's Books" for your cooperative, provide the pass-through factor and the revenue amount to which it was applied to arrive at the amount shown.

Response:

The environmental surcharge for EKPC's expense month May 2013 was billed to Inter-County Energy on the June Purchased Power Invoice dated July 2, 2013 in the amount of \$402,857. Inter-County Energy's July 2013 revenue was \$3,330,478, with a pass-through factor of 12.31%, resulting in an environmental surcharge billing to Inter-County Energy's members in the amount of \$409,993.

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